Member Meeting
May 29, 2019

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Welcome

Kevin Christensen
FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM
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Interim Board of Directors

Adam Rust, Reinvestment Partners
Andrea Gilman, Mastercard
Barbara Gross, Bankers Bank
Bradley Wilkes, Open Payment Network
Brian Peters, Financial Innovation Now
Charles Harkness, Corporate One Credit Union

David Walker, Tiller Endeavors
Deborah Phillips, Jack Henry & Associates
Douglas Berg, Wells Fargo
Gene Neyer, Icon Solutions
Jan Estep, Nacha
Kevin Christensen, SHAZAM

Lou Anne Alexander, Early Warning
Mark Keeling, The Bankers Bank
Matt Friend, Visa
Michael Bilski, North American Banking Company
Reed Luhtanen, Walmart
Roy DeCicco, J.P. Morgan Chase

Steve Kenneally, American Bankers Association
Steve Ledford, The Clearing House
Susan Doyle, EPCOR
Tom Rea, U.S. Bank
# Meeting Agenda

## Morning

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
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<tbody>
<tr>
<td>8:00 – 8:30</td>
<td>Welcome &amp; Opening Remarks</td>
<td>Kevin Christensen, FPC Acting Executive Director &amp; Acting Chair of the FPC Board of Directors, SHAZAM</td>
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<td>8:30 – 9:30</td>
<td>Keynote: How Faster Payments Protect Consumers</td>
<td>Richard Cordray, Former and Founding Director, U.S. Consumer Financial Protection Bureau</td>
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<td>9:30 – 10:15</td>
<td>Membership Update</td>
<td>Kevin Christensen, SHAZAM</td>
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<td>10:15 – 10:30</td>
<td>Break</td>
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| 10:30 – 11:15 | The Future of Faster Payments                                            | Lou Anne Alexander, Early Warning  
Susan Doyle, EPCOR  
Jan Estep, Nacha  
Amy Zirkle, ETA  
Moderated by Andrea Gilman, Mastercard |
| 11:15 – 12:00 | Roundtable Discussions                                                  |                                                                           |
| 12:00 – 1:00 | Lunch                                                                   |                                                                           |
| 12:30 – 1:00 | Lunch Keynote: Faster Payments Get Real                                 | Cyrus Bhathawalla, KPMB                                                  |

## Afternoon

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<tr>
<th>Time</th>
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| 1:00 – 1:15 | Fireside Chat                                                           | Reed Luhtanen, Walmart  
Kevin Christensen, SHAZAM |
| 1:15 – 1:45 | Real-Time Payments for Corporates and Businesses: Will They Actually Adopt? | Magnus Carlsson, AFP  
Deborah Matthews Phillips, Jack Henry & Associates |
| 1:45 – 2:00 | Break                                                                   |                                                                           |
| 2:00 – 3:00 | Roundtable Discussions                                                  |                                                                           |
| 3:00 – 3:30 | Managing Risk Effectively in a Faster World                             | Rivka Gewitz Little, IDC                                                  |
| 3:30 – 3:45 | Quick Wins Update                                                       | Matt Friend, Visa                                                         |
| 3:45 – 4:00 | Break & Breakout Sessions Transitions                                  |                                                                           |
| 4:00 – 5:00 | • Quick Wins Group Breakout Sessions  
• Lend Your Expertise: Future FPC Initiatives                          | Susan Doyle, EPCOR  
Steve Kenneally, ABA  
Steve Ledford, TCH  
Matt Friend, Visa |
| 5:00 – 5:15 | Closing Remarks                                                          | Kevin Christensen, SHAZAM                                                 |
How Faster Payments Protect Consumers

Richard Cordray
Former and Founding Director, U.S. Consumer Financial Protection Bureau
Membership Update

Kevin Christensen
FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM
A Path to Faster Payments Ubiquity

Americans require a world-class payment system, where they can safely and securely pay anyone, anywhere, at any time, and with near-immediate funds availability.
Taking On Key Challenges

The FPC will address the issues that inhibit adoption of faster payments in the United States

- Enhance safety and security for service providers and users of faster payments
- Address opportunities and emerging issues openly and collaboratively
- Education and awareness to foster understanding of faster payments
Driven by Common Goals
Guiding principles are at the core of how the FPC operates and what makes us different

**Inclusiveness and Fairness**
Through segment-level representation on the Board and open opportunities to serve on committees and work groups, all active members have a voice in the direction of the FPC’s work.

**Flexibility and Responsiveness**
The FPC focuses on the broader good while upholding competitive prerogatives and respecting members’ ability to manage their own business operations. Members choose whether to adopt FPC recommendations and are able to implement them consistent with their individual organizations’ unique needs.

**Transparency**
The FPC has clear processes for deliberations and decision making that are open, transparent and objective. Open and inclusive opportunities to exchange opinions and resolve differences will ideally result in broad member support for FPC recommendations.
Members Make it Happen
FPC members can influence the future of faster payments in a variety of ways

Dialogue

**FPC Community**: Be part of safe forums for dialogue that support innovation, inform system design, and enhance cross-solution risk mitigation.

Influence

**FPC Board**: Set strategic direction and ensure processes, activities and recommendations of the FPC are consistent with its fundamental principles.

Solve Problems

**FPC Workgroups and Committees**: Influence decisions affecting the direction of the FPC and its priorities.
FPC History

2015
- May: Faster Payments Task Force (FPTF) convened by Federal Reserve

2016
- 320 FPTF members identified and assessed approaches for implementing safe, ubiquitous faster payments in the US

2017
- July: FPTF Final Report Part II – A Call to Action
- Mid 2017: Interim Collaboration Work Group (ICWG) established, reps elected by FPTF segments
- Late 2017: ICWG renamed as Governance Framework Formation Team (GFFT)

2018
- October: FPC incorporated, interim Board seated
- November: FPC Framework published

2019
- April: FPC Board election
- May 29: First FPC member meeting
- May 30: Elected Board seated
**FPC Membership**

**FPC Total Membership: 166**
- 58 Financial Institutions
- 36 Technology Providers
- 38 Others
- 12 Business End Users
- 8 Associates
- 5 Consumer Organizations
- 9 Payment Network Operators
- 59 applications in 2018
- 107 applications in 2019 so far

**FPC is still growing**
- More than 150 individuals representing 100 organizations

**Who is at today’s meeting?**
- Today’s attendees by segment:
  - 3 Associate Members
  - 5 Business End Users
  - 3 Consumer Organizations
  - 49 Financial Institutions
  - 37 Other
  - 15 Payment Network Operators
  - 39 Technology Providers

As of May 13, 2019, including pending applications
Board Election Process

Nominations
- Candidates self-nominated

Board Seats
- 21 total board seats
  - 18 seats allocated evenly among the 6 member segments
  - 3 at-large seats: 1 each for the three largest segments
- Seats allocations not filled are left vacant
- No membership segment has more than 4 seats

Elected Board
- Board members have staggered length terms
- 65% comprised of previous interim Board members
- 35% new FPC directors

Officers
- Officers to be recommended at May 30th Board meeting
## Elected Board of Directors

### Business End Users
- Reed Luhtanen, Walmart Inc., 3-year term
- Perry Starr, Target Corporation, 2-year term
- John Drechny, Merchant Advisory Group, 1-year term

### Consumer Organizations
- Adam Rust, Reinvestment Partners, 3-year term
- Cathy Mansfield, National Consumer Law Center, 2-year term

### Financial Institutions
- Michael Bilski, North American Banking Company, 3-year term
- Mark Keeling, The Bankers Bank, 2-year term
- Robert Palmer, Community Bankers Association of Ohio, 1-year term
- Roy DeCicco, JP Morgan Chase, 1-year term (at-large seat)

### Other
- Susan Doyle, EPCOR, 3-year term
- Steve Kenneally, American Bankers Association, 2-year term
- Jane Larimer, Nacha, 1-year term
- James Kaitz, Association for Financial Professionals, 1-year term (at-large seat)

### Payment Network Operators
- Matt Friend, Visa, 3-year term
- Andrea Gilman, Mastercard, 2-year term
- Steve Ledford, The Clearing House, 1-year term

### Technology Providers
- Deborah Phillips, Jack Henry & Associates, 3-year term
- Kevin Christensen, SHAZAM, 2-year term
- Gene Neyer, Icon Solutions, 1-year term
- Pat Thelen, Ripple, 1-year term (at-large seat)

**First elected FPC Board to be seated May 30th**
Accomplishments to Date ………… #GSD

Organization Management
- Incorporation and bylaws
- Interim Board
- Functional leads
- Association management firm
- Executive Director search

Finance and Budget
- Collected member dues
- Developed multi-year budget

Membership and Recruiting
- Founding sponsors and members
- Member applications and onboarding Outreach to prospective members

Board Nominations and Election
- Called for nominations
- Administered inaugural election

Industry Engagement and Press
- Merchant Advisory Group conference
- Nacha Payments 2019 conference
- Media interviews
- Industry event panels

Member Engagement
- Regular communications and recurring emails
- Members-only section of FPC site
- Member survey
- Member meeting

Work Groups
- Education & Awareness
- End User Transparency
- Safety & Security

Other Work Efforts
- Agreement to collaborate with Nacha Payments Innovation Alliance on Faster Payments Playbook
## Industry Contributions

**Directories Work Group (DWG)**

- **Purpose:** Evaluate various payment directory models to enable interoperability in a multi-operator faster payments ecosystem

- **Findings:**
  - Evaluated 4 models against 43 design considerations
  - General consensus on a ‘hub’ directory service
  - Directory should maintain the minimum amount of data required
  - Rail agnostic: payment outside of the directory
  - Security will always be foundational

**Rules, Standards, Laws, and Regulations Work Group (RSLRWG)**

- **Purpose:** Offer an industry perspective and provide clarity around topics related to laws, regulations, rules and standards with respect to faster payments

- **Findings:**
  - No current laws and regs inhibit operation of faster payments
  - Laws, regs, rules and standards are independently valuable, but a coordinated, layered approach to applying them has led to the best outcomes
  - Role of rules, standards, laws, and regs should be continuously evaluated as the landscape evolves
  - Collaboration among stakeholders is powerful, particularly for supporting industry self-regulation

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**DWG and RSLRWG were established to address recommendations in the Faster Payments Task Force final report**

Both groups’ final reports have been delivered to the FPC and will be considered as part of FPC work group efforts.
Member Survey

Objectives:
- Understand member priorities
- Guide the direction of future FPC work

Survey results are a starting point for today’s roundtable discussions

- How can the FPC add value for the industry?
- How can the FPC add value for your organization?
- What problems should the FPC address to advance faster payments?
- What are the highest priority topics for the FPC to focus on?
Member Survey: Value Proposition

Top 3 activities that would provide the most value to members’ organizations

1. Publish in-depth analyses of specific topics related to faster payments [4.34/5]
2. Provide opportunities for members to collaborate (e.g., hosting in-person forums to discuss specific topics related to faster payments [4.24/5]
3. Provide content or programs to support the development of and alignment to best practices for faster payment solutions [4.22/5]

Top 3 activities that would provide the most value to the industry

1. Kick off processes designed to solve specific problems in faster payments [4.37/5]
2. Provide content or programs to support the development of and alignment to best practices for faster payment solutions [4.34/5]
3. Develop campaigns to drive awareness and encourage adoption of faster payments [4.26/5]
Member Survey: Topics of Interest

**Top 5 topics the FPC should tackle this year**

1. Fraud information sharing [4.16/5]
2. Processing payments across faster payments systems [4.16/5]
4. Payments use cases [3.95/5]
5. Regulations and regulatory guidance [3.92/5]

**Topics that should be featured at an upcoming member meeting**

- Consumer issues, including consumer protection
- Directory issues, including models and interoperability
- Regulatory issues
- Cross-border transactions
- Security and fraud protection
- Emerging technologies
- Federal Reserve role in faster payments
37% of survey respondents felt the FPC’s current messaging has been effective in drawing in new members and conveying the FPC’s role and future direction.

**Top 3 activities the FPC should pursue to build its presence and prominence**

1. Sponsor, exhibit, and speak at conferences and industry meetings [4.53/5]
2. Write and publish articles in trade publications [4.24/5]
3. Develop an external-facing industry newsletter [3.76/5]
Future Direction

**Governance and Administration**

- Seat elected Board and select officers
- Hire & Onboard Executive Director
- Stand up Board Committees

**FPC activities and work products**

- Use member survey and member meeting roundtable feedback to guide next activities
- Deliver value to FPC members
- Deliver value to the industry

**Ambassadorship and Outreach**

- You are FPC ambassadors to the industry and to your own organizations
- Ensure all stakeholders continue to be well represented
Break

10:15 – 10:30
The Future of Faster Payments

Lou Anne Alexander, *Early Warning*
Susan Doyle, *EPCOR*
Jan Estep, *Nacha*
Amy Zirkle, *Electronic Transaction Association*
Moderator: Andrea Gilman, *Mastercard*
The Early Days

Photo credit: The Clearing House
The Future of Faster Payments

Lou Anne Alexander
Early Warning

Susan Doyle
EPCOR

Jan Estep
Nacha

Amy Zirkle
Electronic Transaction Association

Moderator:
Andrea Gilman
Mastercard
Roundtable Discussions

11:15 – 12:00
Lunch Keynote

12:30 – 1:00
Faster Payments
Get Real

Cyrus Bhathawalla
KPMG
Fireside Chat

Reed Luhtanen, Walmart

Kevin Christensen, FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM
Real-Time Payments for Corporates and Businesses: Will they Actually Adopt?

Magnus Carlsson, Association for Financial Professionals
Q&A with Deborah Matthews Phillips, Jack Henry & Associates
Break

1:45 – 2:00
Roundtable Discussions

2:00 – 3:00
Managing Risk Effectively in a Faster World

Rivka Gewirtz Little
IDC Financial Insights
Quick Wins Update

Matt Friend
Visa
The goal of the Quick Wins work group is to deliver near-term results that drive long-term impact across the industry

Approach:

• Drive engagement and immediate impact for FPC members
• Demonstrate to stakeholders across multiple industries the value of the FPC
• Position the FPC as a broad, inclusive leader across multiple topics, impacting the adoption and growth of real-time payments in the U.S.
Promote service provider strategies, policies, practices, and capabilities that provide end-users with transparency into what to expect when making faster payments

**Completed**
- Revised and finalized charter
- Created sub-groups detailing eight critical categories
- Drafted guides outlining what should be shared with end-users

**In Progress**
- Consolidating content from subgroups into 4 documents:
  - Faster payments transparency for consumer end users
  - Faster payments transparency for business end users
  - Preventing fraud for consumer end users
  - Preventing fraud for business end users
- Determine timing and methods for delivery of info

**Upcoming**
- Publish guide and disseminate widely
- Coordinate efforts with other work groups to ensure consistency and promote adoption of transparency guidelines
Develop a sustainable, multi-channel education and awareness program to foster a better understanding of faster payments amongst all stakeholders with the goal of mass adoption

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<tr>
<td>✓ Revised and finalized charter</td>
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<tr>
<td>✓ Initial definitions of Faster Payments and Real-Time Payments</td>
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<table>
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<tr>
<td>o Define common use cases</td>
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<tr>
<td>o Identify gaps and opportunities for providing more faster payments information to end-users</td>
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<tr>
<td>• Develop consistent multi-channel messaging</td>
</tr>
<tr>
<td>• Coordinate efforts with other work groups to publish and distribute key messaging and best practices</td>
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Promote adoption of practices that enhance safety and security for all stakeholders in the faster payments marketplace, fostering a high-quality user experience and bolstering confidence and trust

Completed
- Revised and finalized charter
- Established first work stream: survey of security policies and procedures

In Progress
- Finalizing survey on security practices
- Compiling and evaluating faster payment solutions already operating internationally

Upcoming
- Develop best practices in six key identified areas
- Complete summary of international faster payment systems with security perspective
Guiding principles / definitions of how the current work groups interact

End User Transparency (What Stakeholders Need to Know/Do)
Focus on the content and context needed for stakeholders when making a faster payment

Collaborative problem solving to address the issues that are currently inhibiting faster payments ubiquity.

Safety & Security (How You Describe the Work)
Focus on the policies, strategies & best practices to prevent fraud for faster payments

Education & Awareness (How You Get the Word Out)
Develop a consistent messaging strategy for disseminating education and awareness for faster payments
## Quick Wins Roadmap Overview

### 2018

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### 2020

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### Overall

- [ ]

### Phase 1 Quick Wins

#### Safety & Security (S. Kenneally)
- Finalize near-term priorities, milestones
- Set roles and responsibilities
- Incorporate initial QW work
- Populate team

#### End User Transparency (S. Ledford)

#### Education & Awareness (S. Doyle)

### Phase 2 Quick Wins

#### Regulatory

#### Directories

#### Fraud Information Sharing (folded into SSWG)

#### + Output from Member Meeting

- [ ]

### Timeline

- **Initiate**
- **Execute**
- **Initiate Longer-term, as needed**

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Breakout Session Transition
3:45 – 4:00

- **Education & Awareness Work Group**
  Directors’ Dining Room

- **Safety & Security Work Group**
  Iowa Room

- **End-User Transparency Work Group**
  Illinois Room 5

- **Lend Your Expertise: Future FPC Initiatives**
  Illinois Room 1-4 (Plenary)
Lend Your Expertise: Future FPC Initiatives

Matt Friend
Visa
Closing Remarks

Kevin Christensen
FPC Acting Executive Director,
Acting Chair of the FPC Board of Directors,
SHAZAM
Thank you for attending